

CIVIC CENTER (14)

AGENCY PLAN MISSION, GOALS AND BUDGET SUMMARY

AGENCY MISSION:

The mission of the Civic Center Department is to provide and promote world class facilities and services for conventions, trade shows, banquets, special events, cultural events and major public and sporting events in order to create both temporary and permanent economic impact to the City of Detroit.

AGENCY GOALS:

1. Heighten our level of customer satisfaction by providing a safe and attractive facility with a responsive, customer-driven staff.
2. Increase booking and event-generated revenue through proactive initiatives, causing an increased demand for hospitality services that relate to Cobo activity.
3. Reduce administrative, operational and maintenance costs.
4. Improve employee morale through the implementation of Total Quality Management principles, including employee training and empowerment initiatives.
5. Improve communication and cooperation with Detroit hospitality service providers (hotels, Detroit Metro Convention and Visitors Bureau, etc.)

AGENCY FINANCIAL SUMMARY:

2002-03 <u>Requested</u>		2001-02 <u>Budget</u>	2002-03 <u>Recommended</u>	Increase (Decrease)
\$ 21,820,532	Operating Appropriations	\$ 22,501,869	\$ 22,438,977	\$ (62,892)
<u>2,800,000</u>	Capital Appropriations	<u>3,300,000</u>	<u>2,800,000</u>	<u>(500,000)</u>
\$ 24,620,532	Total Appropriations	\$ 25,801,869	\$ 25,238,977	\$ (562,892)
\$ 7,578,910	Operating Revenues	\$ 7,572,991	\$ 7,578,910	\$ 5,919
1,400,000	Transfers from Other Funds	1,700,000	1,400,000	(300,000)
<u>1,400,000</u>	Sale of General Obligation Bonds	<u>1,600,000</u>	<u>1,400,000</u>	<u>(200,000)</u>
\$ 10,378,910	Total Revenues	\$ 10,872,991	\$ 10,378,910	\$ (494,081)
\$ 14,241,622	NET TAX COST:	\$ 14,928,878	<u><u>\$ 14,860,067</u></u>	\$ (68,811)

AGENCY EMPLOYEE STATISTICS:

2002-03 <u>Requested</u>		2001-02 <u>Budget</u>	04-01-02 <u>Actual</u>	2002-03 <u>Recommended</u>	Increase (Decrease)
<u>106</u>	City Positions	<u>106</u>	<u>87</u>	<u>96</u>	<u>(10)</u>
106	Total Positions	106	87	96	(10)

ACTIVITIES IN THIS AGENCY:

	2001-02 <u>Budget</u>	2002-03 <u>Recommended</u>	Increase (Decrease)
Administrative Services	\$ 1,386,269	\$ 1,174,155	\$ (212,114)
Civic Center Facilities Operations	<u>24,415,600</u>	<u>24,064,822</u>	<u>(350,778)</u>
	\$ 25,801,869	\$ 25,238,977	\$ (562,892)

CIVIC CENTER (14)

ADMINISTRATIVE SERVICES MEASURES AND TARGETS

ACTIVITY DESCRIPTION: ADMINISTRATIVE SERVICES

The Civic Center Department's Administrative Services unit establishes and implements policies, and provides all technical and administrative support to ensure the long-term viability of the Cobo Center complex as a World Class attraction that serves as an economic catalyst for the City of Detroit and the State of Michigan. The unit provides and promotes a safe, attractive, well-managed, customer-friendly environment for Detroiters and visitors, making Cobo a magnet for conventions, trade shows, conferences, banquets and special events. The unit also monitors and maximizes business relationships with Cobo's labor unions, exclusive contractors, Olympia Arenas, Incorporated and the Detroit Metro Convention and Visitors Bureau (DMCVB).

GOALS AND OBJECTIVES:

1. Reduce administrative and maintenance costs.
2. Improve employee morale through the implementation of Total Quality Management principles, including employee training and empowerment initiatives.

MAJOR INITIATIVES:

To continue to attract new events and maintain the Department's high retention rate of existing shows.

PLANNING FOR THE FUTURE:

Exploration and securing of permanent and additional sources of revenues for Cobo Center continues. Aid is needed in securing new and additional hotel rooms. Exploration of a Phase III expansion of Cobo Center is being executed.

CIVIC CENTER (14)

ADMINISTRATIVE SERVICES MEASURES AND TARGETS

Goals: Measures	1999-00 Actual	2000-01 Actual	2001-02 Projection	2002-03 Target
Reduce administrative, operational and maintenance costs:				
Maintenance – number of work orders completed	5,128	5,175	4,900	5,200
Set-Up - number of setup work orders completed	4,980	5,012	5,000	5,200
Number of outside contracts	5	5	5	4
Improve employee morale:				
Rate of absenteeism	7%	7.5%	6%	5%
Number of grievances	5	1	1	0
Employees receiving training	46	80	30	90
Activity Costs	\$1,248,516	\$1,097,009	\$1,386,269	\$1,174,155

**CITY OF DETROIT
CIVIC CENTER
Financial Detail by Appropriation and Organization**

Administration	2001-02 Redbook		2002-03 Dept Final Request		2002-03 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Administration						
<i>APPROPRIATION ORGANIZATION</i>						
00008 - Administration						
140010 - Administration	14	\$1,083,836	14	\$1,270,719	10	\$856,465
140020 - Receptionist	0	\$22,433	0	\$22,926	0	\$0
140030 - Arena Taxes	0	\$280,000	0	\$317,690	0	\$317,690
APPROPRIATION TOTAL	14	\$1,386,269	14	\$1,611,335	10	\$1,174,155
ACTIVITY TOTAL	14	\$1,386,269	14	\$1,611,335	10	\$1,174,155

CITY OF DETROIT
Budget Development for FY 2002 - 2003
Appropriations - Summary Objects

	2001-02 Redbook	2002-03 Dept Final Request	2002-03 Mayor's Budget Rec
AC0514 - Administrative Services			
<i>A14000 - Civic Center Department</i>			
SALWAGESL - Salary & Wages	658,111	761,137	494,978
EMPBENESL - Employee Benefi	326,958	405,878	248,057
PROFSVCSL - Professional/Con	55,000	60,000	60,000
OPERSUPSL - Operating Suppli	20,000	20,400	20,400
OPERSVCSL - Operating Servic	46,200	46,230	33,030
OTHEXPSSL - Other Expenses	280,000	317,690	317,690
<i>A14000 - Civic Center Department</i>	<i>1,386,269</i>	<i>1,611,335</i>	<i>1,174,155</i>
AC0514 - Administrative Services	1,386,269	1,611,335	1,174,155
Grand Total	1,386,269	1,611,335	1,174,155

CIVIC CENTER (14)

CIVIC CENTER FACILITIES OPERATIONS ACTIVITY INFORMATION

ACTIVITY DESCRIPTION: CIVIC CENTER FACILITIES OPERATIONS

The Civic Center Department's Facilities Operations unit is to provide management, event coordination, maintenance, security, customer service, food service and a positive environment at one of the nation's largest exhibition centers. Sales and Marketing staff are included in this section and work closely with Administrative Services and the Detroit Metro Convention and Visitors Bureau (DMCVB). This unit manages a substantial volume of city property and is primarily responsible for the management and/or tenants relations for Joe Louis Arena, Cobo Arena, Veterans Memorial Building, Tiger Stadium and Ford Auditorium. The Civic Center Department also manages, operates and controls the chilled water and refrigeration plant. The chilled water is supplied by the Civic Center Department and distributed to Joe Louis Arena, Cobo Arena and the Veterans Memorial Building (Ford/UAW Training Center) for use in their HVAC system.

GOALS AND OBJECTIVES:

1. Heighten our level of customer satisfaction by providing a safe and attractive facility with a responsive, customer-driven staff.
2. Increase booking and event-generated revenue through proactive initiatives, causing an increased demand for hospitality services that relate to Cobo activity.
3. Improve communication and cooperation with Detroit hospitality service providers (hotels, DMCVB, etc.)
4. Acquire a viable re-adaptive use of either the Ford Auditorium or the property on which Ford Auditorium rests.

MAJOR INITIATIVES:

PLANNING FOR THE FUTURE:

While Cobo Center has developed a three-phase expansion format plan for the future, currently there is no funding mechanism to address this expansion. Detroit Metro Convention and Visitors Bureau (DMCVB) funded a feasibility study, along with information from Cobo Center that validated the viability of an expansion along with the appropriate characteristic components. It should be noted that any expansion would require both funding and construction as well as permanent funding for capital improvements.

The core of the Cobo Center facility is now approaching 40 years of age, maintenance and capital improvements are the two (2) most critical funding issues for the future. The Cobo Center Hotel Tax portion devoted to capital expenditures is now at its lowest point and declining annually. Within five (5) years this fund will be completely non-existent due to the pay-down of the expansion bonds. The primary plan for the future is to secure long-range permanent funding for maintenance (both preventive and repair) and capital improvements.

The Department struggles to maintain staff due to competition from outside forces, most notably, the three (3) casinos that can afford to attract our employees with higher salaries and increased benefit packages.

Concern is paramount for anticipated future repairs to the Lodge Freeway Bridge in front of Cobo Center. Concern is both for logistics for events as well as possible lost revenue during the inconvenience of construction.

CIVIC CENTER (14)

CENTER FACILITIES OPERATIONS MEASURES AND TARGETS

Goals: Measures	1999-00 Actual	2000-01 Actual	2001-02 Projection	2002-03 Target
Improve communication and cooperation with Detroit hospitality service providers:				
Number of jointly-sponsored site visit/hospitality tours	33	30	20	30
Bi-annual inter-agency survey ratings	98%	96%	98%	100%
Increased number of bookings:				
Personal selling/marketing trips	33	25	20	31
Active involvement in downtown renaissance along waterfront; integration as one of the main spearheads for enhancement and to help drive the process:				
Membership and participation in committees	10	12	11	11
Heighten customer satisfaction by providing a safe & attractive facility with a customer-driven staff:				
The facility rating-survey (positive)	86%	8-90%	92%	93%
The staff rating-survey (positive)	90%	90%	92%	95%
Catering services rating-survey (positive)	85%	86%	89%	90%
Other contracted services rating-survey (positive)	78%	80%	81%	90%
Number of incident reports filed	47	51	40	30
Complaints - cleaning, catering, electrical	23	19	17	10
Increase booking and event-generated revenue through proactive initiatives:				
Number of bookings	650	672	630	700
New bookings	239	243	225	250
Number of trade shows and conventions	44	40	35	40
Number of trade shows and conventions - days	225	190	182	200
Number of public shows event days	252	239	240	260
Number of banquet/catering days	236	240	245	300
Ballroom use	310	317	330	350
Meeting rooms rented by event	409	411	410	420
Total attendance	1,800,524	1,346,142	1,400,000	1,500,000
Event-generated income	\$5,652,000	\$6,246,554	\$6,000,000	\$6,000,000
Detroit hotel occupancy rate	76%	77%	76%	80%
Events using 1,000 hotel rooms nights	44	30	31	40
Activity Costs	\$21,439,033	\$28,902,757	\$24,415,600	\$24,064,822

CITY OF DETROIT
Civic Center Department
Financial Detail by Appropriation and Organization

Sales & Marketing Cobo Center	2001-02 Redbook		2002-03 Dept Final Request		2002-03 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<i>APPROPRIATION ORGANIZATION</i>						
00011 - Cobo Center						
140040 - Sales & Marketing	13	\$1,025,511	13	\$1,063,753	13	\$971,907
140060 - Information Desk	0	\$44,859	0	\$45,843	0	\$44,789
140070 - Maintenance	5	\$1,826,729	5	\$2,069,238	3	\$1,967,446
140080 - Ford Auditorium	0	\$235,499	0	\$218,292	0	\$334,492
140090 - Cobo Center	30	\$14,753,062	30	\$13,357,988	27	\$14,534,222
140100 - Set-Up Crews Full Time	32	\$1,796,203	32	\$1,756,644	31	\$1,626,775
140110 - Set- Up Crews Extra Service	0	\$66,541	0	\$64,483	0	\$33,141
140140 - Security Cobo Org	12	\$1,367,196	12	\$1,632,956	12	\$1,752,050
APPROPRIATION TOTAL	92	\$21,115,600	92	\$20,209,197	86	\$21,264,822
00890 - Cobo - Renewal and Replacement						
140050 - Renewal & Replacement	0	\$1,700,000	0	\$1,400,000	0	\$1,400,000
APPROPRIATION TOTAL	0	\$1,700,000	0	\$1,400,000	0	\$1,400,000
10318 - Capital Improvement - Bonds - Civic Center						
140055 - Capital Improvement - Bonds - Civic Center	0	\$1,600,000	0	\$1,400,000	0	\$1,400,000
APPROPRIATION TOTAL	0	\$1,600,000	0	\$1,400,000	0	\$1,400,000
ACTIVITY TOTAL	92	\$24,415,600	92	\$23,009,197	86	\$24,064,822

CITY OF DETROIT
Budget Development for FY 2002 - 2003
Appropriations - Summary Objects

	2001-02 Redbook	2002-03 Dept Final Request	2002-03 Mayor's Budget Rec
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AC0514 - Administrative Services	1,386,269	1,611,335	1,174,155
Grand Total	1,386,269	1,611,335	1,174,155

CITY OF DETROIT
Budget Development for FY 2002 - 2003
Appropriation Summary - Revenues

	2000-01 Actuals	2001-02 Redbook	2002-03 Dept Final Request	2002-03 Mayor's Budget Rec	Variance
A14000 - Civic Center Department					
<i>00011 - Cobo Center</i>					
447300 - Other Utility Revenue	292,255	424,000	424,000	424,000	0
447505 - Telephone And Telegra	(300)	5,000	500	500	(4,500)
447555 - Other Reimbursements	0	20,000	60,248	60,248	40,248
462130 - Building Rentals	3,088,064	3,390,000	3,279,051	3,279,051	(110,949)
463100 - Miscellaneous Concess	1,749,103	1,730,000	1,800,000	1,800,000	70,000
463175 - Restaurant Concession	1,807,893	1,800,000	1,800,000	1,800,000	0
463185 - Checking Concessions	47,230	75,000	50,000	50,000	(25,000)
472130 - Equipment Rentals	90,510	50,000	80,000	80,000	30,000
474100 - Miscellaneous Receipts	8,830	7,000	7,000	7,000	0
510100 - Street Funds Reimburs	53,000	71,991	78,111	78,111	6,120
<i>00011 - Cobo Center</i>	<i>7,136,585</i>	<i>7,572,991</i>	<i>7,578,910</i>	<i>7,578,910</i>	<i>5,919</i>
<i>00890 - Cobo - Renewal and Replacement</i>					
461100 - Earnings On Investmer	188,663	0	0	0	0
510325 - Transfers From Other F	1,400,358	1,700,000	1,400,000	1,400,000	(300,000)
<i>00890 - Cobo - Renewal and Replace</i>	<i>1,589,021</i>	<i>1,700,000</i>	<i>1,400,000</i>	<i>1,400,000</i>	<i>(300,000)</i>
<i>07226 - Insurance Settlements</i>					
472205 - Insurance	2,750,000	0	0	0	0
<i>07226 - Insurance Settlements</i>	<i>2,750,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>10318 - Capital Improvement - Bonds - Civic Cer</i>					
522100 - Sale Of Bonds	0	1,600,000	1,400,000	1,400,000	(200,000)
<i>10318 - Capital Improvement - Bonds</i>	<i>0</i>	<i>1,600,000</i>	<i>1,400,000</i>	<i>1,400,000</i>	<i>(200,000)</i>
A14000 - Civic Center Department	11,475,606	10,872,991	10,378,910	10,378,910	(494,081)
Grand Total	11,475,606	10,872,991	10,378,910	10,378,910	(494,081)

CITY OF DETROIT
MAYOR'S 2002/2003 RECOMMENDED BUDGET

Civic Center Department

Appropriation	REDBOOK FY	DEPT REQUEST	MAYORS FY
Organization	2001 2002 FTE	FY 2002 2003 FTE	2002 2003 FTE
Classification			
00008 - Administration			
140010 - Administration			
Director - Civic Center	1	1	1
Deputy Director - Civic Center	1	1	1
General Manager - Civic Center	1	1	0
Business Activities Manager	1	1	1
Admin Asst GD II - Civic Ctr	1	1	0
Civic Center Activities Mgr	1	1	1
Executive Secretary III	1	1	1
Executive Secretary II	1	1	1
Civic Center Srvc Foreman	1	1	0
Sr Stenographer - Exempted	1	1	1
Typist	3	3	3
Clerk Part Time Special Srvc	1	1	0
Total Administration	14	14	10
Total Administration	14	14	10
00011 - Cobo Center			
140040 - Sales & Marketing			
Manager II - Civic Center	1	1	1
Manager I - Civic Center	1	1	1
Sales Manager - Civic Center	1	1	1
Asst Sales Mgr - Civic Center	1	1	1
Sr Civic Center Account Rep	3	3	3
Civic Center Account Rep	5	5	5
Senior Stenographer	1	1	1
Total Sales & Marketing	13	13	13
140070 - Maintenance			
Engineer of Bldg Maint & Oper	1	1	0
Asst Supervisor of Bldg Maint	1	1	0
Assoc Mech Eng - Maintenance	1	1	1
Bldg Oper Sprv - Grade II	1	1	1

CITY OF DETROIT
MAYOR'S 2002/2003 RECOMMENDED BUDGET

Civic Center Department

Appropriation	REDBOOK FY	DEPT REQUEST	MAYORS FY
Organization	2001 2002 FTE	FY 2002 2003 FTE	2002 2003 FTE
Classification			
00011 - Cobo Center			
140070 - Maintenance			
Senior Typist	1	1	1
Total Maintenance	5	5	3
140090 - Cobo Center			
Bldg Maintenance Foreman	1	1	1
Elect Worker - General	5	5	4
Finish Carpenter	2	2	2
Plumber	2	2	2
Finish Painter - Bldg Spray	2	2	2
Refrig Equip Oper 1st Class	6	6	6
Bldg Control Station Operator	4	4	3
Electrical Equip Technician	1	1	1
Building Mechanic	7	7	6
Total Cobo Center	30	30	27
140100 - Set-Up Crews Full Time			
Manager II - Civic Center	1	1	0
Prin Civic Center Oper Asst	1	1	1
Sr Promotional Activities Asst	1	1	1
Civic Center Srvcs Supervisor	1	1	1
Civic Center Srvcs Foreman	3	3	3
Senior Stenographer	1	1	1
Civic Center Facility Worker	22	22	22
Civic Center Facility Wrkr-SS	2	2	2
Total Set-Up Crews Full Time	32	32	31
140140 - Security Cobo Org			
Sprv Srve Guard - GD II	1	1	1
Senior Service Guard General	2	2	2

**CITY OF DETROIT
MAYOR'S 2002/2003 RECOMMENDED BUDGET**

Civic Center Department

Appropriation	REDBOOK FY	DEPT REQUEST	MAYORS FY
Organization	2001 2002 FTE	FY 2002 2003 FTE	2002 2003 FTE
Classification			
<hr/>			
00011 - Cobo Center			
140140 - Security Cobo Org			
Service Guard - General	9	9	9
Total Security Cobo Org	<u>12</u>	<u>12</u>	<u>12</u>
Total Cobo Center	<u>92</u>	<u>92</u>	<u>86</u>
Agency Total	<u>106</u>	<u>106</u>	<u>96</u>